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at 10 a.m.
New York

SUMMARY RECORD OF THE 23rd MEETING

Chairman:	Mr. SENGWE	(Zimbabwe)
later:	Mr. ALOM (Vice-Chairman)	(Bangladesh)
later:	Mr. SENGWE (Chairman)	(Zimbabwe)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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The meeting was called to order at 10.05 a.m.

AGENDA ITEM 116: PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997 (continued) (A/50/7/Add.16; A/51/7/Add.1 and A/C.5/50/57 and Add.1)

1. Mr. TAKASU (Controller), replying to questions raised during the consideration of the report of the Secretary-General (A/C.5/50/57/Add.1), said that delegations had requested additional information in three broad areas. With regard to the first area, programme implications and the list of activities and output to be affected, the Secretariat had circulated an informal note to the effect that the information requested could be found in part II of the report of the Secretary-General (A/C.5/50/57/Add.1) and in annexes I and II to document A/50/7/Add.16. It would provide any further clarification, if necessary, during informal consultations.

2. On the subject of the efficiency review, an informal note had also been circulated summarizing the efficiency measures which had already been or were about to be implemented without the involvement of the General Assembly. The factual information sought on the support staff and costs of the Efficiency Board would be made available later that same day. In addition, the Under-Secretary-General for Administration and Management would be present at the following day's meeting to clarify any remaining questions.

3. As for the third area, vacancy rates, the relevant replies were contained in the informal note which had just been circulated to members. Personnel actions taken by departments and offices to achieve their staff reduction targets were outlined in administrative instruction ST/AI/415. Information on transfers of staff from the regular budget to extrabudgetary sources of funding in order to create vacancies was not centralized at Headquarters, and the Executive Offices of all programmes and duty stations had been requested to provide the needed information. To date, information had been received from three programme areas on the nationality, level and departments of persons who had been recruited during the freeze on recruitment, as well as on the vacant positions which had been filled through promotions. Another note was being prepared which would give the breakdown by nationality of consultants retained by the Organization.

4. Ms. GOICOCHEA (Cuba), supported by Ms. INCERA (Costa Rica), said that it would be helpful if more time could be given to delegations to review the information which had just been received. Consideration of the item should therefore be resumed at a later date.

5. Mr. STEIN (Germany), speaking as the coordinator on the item, suggested that the discussion on the item might be taken up in informal consultations, both to save meeting time and to facilitate a freer exchange of views.

6. Ms. INCERA (Costa Rica), speaking on behalf of the Group of 77 and China, reiterated that the Committee should consider the item in a formal meeting.

7. The CHAIRMAN suggested that consideration of the item should be deferred until the following day when the note mentioned by the Controller would be

available and the Under-Secretary-General for Administration and Management would be present.

AGENDA ITEM 140: ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACEKEEPING OPERATIONS (A/48/622, A/48/912; A/49/654, A/49/906 and Corr.1, A/49/936; A/50/684, A/50/797, A/50/907, A/50/965, A/50/976, A/50/983, A/50/985, A/50/995, A/50/1009, A/50/1012; A/51/389, A/51/646; A/C.5/50/51; and A/C.5/51/8)

AGENDA ITEM 120: HUMAN RESOURCES MANAGEMENT (continued) (A/51/646 and A/C.5/50/72)

8. Mr. TAKASU (Controller), introducing the reports of the Secretary-General under agenda item 140, said that some of the reports listed in the Journal had been introduced earlier in the session and action had already been taken by the General Assembly. Others had been introduced, but action by the General Assembly was still pending. He would now introduce the remainder.

9. The Secretary-General's report on death and disability benefits (A/50/1009) was submitted pursuant to paragraphs 2 and 3 of General Assembly resolution 50/223, in which the Assembly had requested the Secretary-General to examine the possibility of an insurance scheme to cover all troops, on the basis of a request for proposals from the global insurance market, and to present the results by 15 July 1996. The Secretary-General had noted in his report that, because of the perceived reduction in risk level following the winding down of major peacekeeping operations in Cambodia, the former Yugoslavia, Somalia and Mozambique, a number of global insurers had responded positively to the possibility of developing a viable commercial insurance policy to cover accidental death and disability risks for peacekeeping troops. Fifteen companies had been invited to submit proposals and, of the four replies received, three had met the specifications set forth in paragraph 4 of the report and ranged in cost from about $25 per troop/per month to about $40 per troop/per month for coverage in the base amount of $50,000. In each case, coverage at the base amount of $100,000 could be provided at a proportionately higher monthly premium. While it would now be possible to obtain commercial insurance coverage for contingent personnel assigned to United Nations peacekeeping operations if the Secretary-General were so authorized by the General Assembly, in view of the opinion provided by the Office of Legal Affairs, any compensation made for the death or disability of such military personnel could not be paid directly to disabled troops or dependent survivors, but rather to the national authorities, as was the current practice.

10. The note by the Secretary-General on the reform of the procedures for determining reimbursement to Member States for contingent-owned equipment (A/50/995) had been submitted pursuant to General Assembly resolution 50/222. The annex to the note contained a model Contribution Agreement between the United Nations and participating States contributing resources to United Nations peacekeeping operations. In preparing the model Agreement, account had been taken of the comments of troop-contributing States and of the Legal Counsel.

11. The Secretary-General's report on management review officers and roving finance officers (A/50/983) had been submitted pursuant to the request of the

General Assembly in resolution 49/233, for clarification of the concepts of management review officer and roving finance officer. The concept of roving finance officer was a mechanism for addressing the shortage of experienced finance staff, particularly during the start-up or expansion phases of missions, and represented an important capability for prompt response from Headquarters, at minimal cost, to provide operational support when required in the field. The functions of both roving finance officers and management review officers would be performed by existing staff from within existing resources. No action by the General Assembly was therefore required.

12. Referring to the report of the Secretary-General on entitlements of staff assigned to peacekeeping missions, including mission subsistence allowance (A/50/797), he said that the Secretariat had provided additional information on gratis military officers in an informal note which had been circulated to members. The first table in that note contained the staffing table as at 30 September 1996, while the second provided detailed information on the situation of gratis military officers, including a breakdown of their grade levels. Information was also provided on the estimated annual cost of administrative backstopping, which included the cost of common services, such as rental and alteration of premises, furniture and equipment, and other administrative costs, such as secretarial and administrative support. The direct costs to the United Nations were in the form of travel and daily subsistence allowance (DSA) expenditures incurred in 1995. The estimated total annual cost of administrative backstopping was approximately $3.8 million, while the estimated annual salaries of 115 GMOs paid by Governments amounted to approximately $11.4 million. The final table in the note contained the monthly roll of military personnel in the Department of Peacekeeping Operations by country. While that Department had the highest number of personnel on loan from Governments, other units, including, as well as the Department of Humanitarian Affairs, the International Tribunal for the former Yugoslavia and the International Tribunal for Rwanda, also benefited from the practice. The global policy implications were being addressed by the Secretary-General in a report which was currently under preparation.

13. Mr. HALLIDAY (Assistant Secretary-General for Human Resources Management), introducing the report of the Secretary-General on special representatives, envoys and related positions (A/C.5/50/72), said that, since the preparation of annex II to the report, the number of positions had increased to 33. Moreover, in category B, Mr. Peter Hansen had been provisionally appointed to replace Mr. Terje Larsen as Special Coordinator of the Secretary-General in the Occupied Territories and Mr. Raymond Chrétien had been appointed Special Representative of the Secretary-General for the Great Lakes region of Africa. Categories A, B and C remained the same in order to facilitate year-to-year comparisons.

14. The decline in the number of envoys and other representatives in recent years must be viewed in the context of the evolving global situation and the Organization's response to it. Many special representatives and envoys were retained on a "when actually employed" (WAE) basis, by which their services were retained by the Organization when there was a need for work of an intermittent or discontinuous nature; for assignments whose duration was uncertain, or whose timing was not clearly identifiable in advance; or to ensure the availability at short notice of persons with special skills required by the Organization. WAE

contracts were to be used only when standard appointments under the 100, 200 or 300 series of the Staff Rules or when a standard special service agreement (SSA) would not be appropriate, for example, in peacekeeping operations or for special assignments for the Secretary-General.

15. Mrs. ISE (Director, Specialist Services Division) introduced the report of the Secretary-General on the entitlements of staff assigned to peacekeeping missions, including mission subsistence allowance (A/50/797), which had been prepared pursuant to General Assembly resolution A/49/233. In part VIII of that resolution, the Assembly had endorsed the observations and recommendations of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) concerning mission subsistence allowance (MSA), and had requested the Secretary-General to review the entitlements of staff assigned to peacekeeping missions, including the purpose of and basis for the establishment of MSA, and to submit a report thereon to the General Assembly at its fiftieth session. The report took into account a number of requests and recommendations made by ACABQ in its report to the General Assembly at its forty-ninth session (A/49/664). The Advisory Committee had requested the Secretary-General to carry out a review of the entitlements of staff assigned to missions, with a view to ensuring that the allowances paid were commensurate with the exposure of the staff member to expenses as the result of mission service and to ensuring that the policy in that regard was transparent and supported the goals and objectives of the Organization and had specified that the review should include a re-examination of MSA, its purpose and the basis on which it was established. It had also requested a review of the methodology for the determination of MSA rates and their application, and an examination, in comparison with the norms and procedures used to establish DSA rates, of the manner of establishment of MSA rates so as to ensure the existence of a comprehensive, flexible and transparent mechanism.

16. MSA was defined as the total contribution of the Organization towards living expenses incurred in the field in connection with special mission assignment. It was intended to offset expenses faced in the field and did not recognize hardship or include specific incentive payment for mission service. It was established under Staff Rule 103.21 for those staff members who were recruited or assigned from existing service in the United Nations common system from outside the mission area. Staff members in the Professional and higher categories, the Field Service and the General Service and related categories who were detailed or assigned from their permanent duty station to a mission continued to receive the emoluments that were applicable at their duty station of origin, in addition to MSA. Staff in the Professional or Field Service categories recruited specifically for service related to a particular special mission received the corresponding base salary and MSA, but not post adjustment. MSA was also applicable to military observers, civilian police monitors and human rights monitors who were recruited from outside the United Nations common system. For those staff, MSA constituted the sole contribution of the Organization to their emoluments. MSA was not paid to staff recruited locally in the mission area in the General Service and related categories. All staff were entitled to hazard pay if the mission area was designated as hazardous by the Chairman of the International Civil Service Commission (ICSC), on the recommendation of the United Nations Security Coordinator.

17. The elements taken into account in determining MSA rates were the long-term cost of accommodation (monthly rates), three meals a day and an amount for incidentals including transportation, laundry and telephone calls. MSA was sometimes compared with DSA but the comparison could be misleading since the latter was intended to cover short-term costs which were usually higher than long-term costs. However, MSA was usually paid for the first 30 days in the mission area based on the DSA rates as promulgated by ICSC. The standard MSA rate for the mission area was subsequently announced on the basis of a survey made by a specialist from the Office of Human Resources Management. The Secretariat was currently updating the documentation on MSA and simplifying and strengthening both monitoring and training mechanisms for chief administrative officers in order to ensure transparency and the uniform application of MSA throughout missions.

18. In conclusion, she said that section VIII of the report, on MSA and the practices of the comparator civil service, contained data from 1995, some of which might have been overtaken by events. The Secretariat would do its best to provide updated information as required.

19. Mr. MSELLE (Chairman, Advisory Committee on Administrative and Budgetary Questions) pointed out that, as indicated in the report of the Fifth Committee (Part VI) (A/50/850/Add.5), the reports of the Advisory Committee on the management of peacekeeping assets (A/50/985), the establishment of a Peacekeeping Reserve Fund (A/50/976), and the review of the rates of reimbursement to the Governments of troop-contributing States (A/50/1012), which had been introduced at the previous session, had been deferred to the fifty-first session of the General Assembly.

20. Introducing the report of the Advisory Committee contained in document A/51/646, he said that it covered the reports of the Secretary-General on the reform of the procedures for determining reimbursement to Member States for contingent-owned equipment (A/50/995); management review officers and roving finance officers (A/50/983); special representatives, envoys and related positions (A/C.5/50/72); and death and disability benefits (A/50/1009).

21. In connection with the first report (A/50/995), he said that it had been prepared in accordance with the recommendations of the Advisory Committee, which had been endorsed by the General Assembly. He drew attention to the comments of the Advisory Committee in paragraphs 3 to 8 of its report (A/51/646). After further consultation with representatives of the Secretary-General, various articles of the model Agreement were being reviewed (para. 5). While the Secretariat had indicated that it had no problems with the proposed changes to the draft text, he drew the Committee's attention to paragraph 7 of the report, according to which the Secretariat had a problem concerning the use of the term "Contribution Agreement". The Advisory Committee recommended that the legal implications of using the term "Memorandum of Understanding" or of resorting to an exchange of letters, rather than using the term "Contribution Agreement" should be thoroughly explored.

22. With regard to the Secretary-General's report on management review officers and roving finance officers (A/50/983), the Advisory Committee recommended, in paragraph 15 of its report, that the General Assembly should take note of the

Secretary-General's report on the understanding that information on the review functions should be included in the budgets of specific peacekeeping operations which the Advisory Committee would examine on a case-by-case basis in the context of its examination of budget estimates.

23. Referring to the Secretary-General's report on special representatives, envoys and related positions (A/C/5/50/72), he said that the Advisory Committee welcomed the Secretary-General's willingness to be as transparent as possible. He drew the attention of the Committee, in particular, to paragraph 22 of the report, in which the Advisory Committee reiterated its concern with respect to the use of funds appropriated for general temporary assistance to finance continuing posts.

24. In his report on death and disability benefits (A/50/1009), the Secretary-General had provided information on the proposal for the establishment of an insurance scheme and on the legal status of contingent personnel. After discussions with representatives of the Secretary-General and an exchange of views within ACABQ, the Advisory Committee had reached the conclusion that self-insurance, over time, was more cost-effective than commercial insurance (para. 33). Based on what the General Assembly decided, the Secretary-General would be required to make detailed proposals on implementation, including administrative arrangements and procedures, safeguards and financing.

25. Referring to paragraph 35 of the Advisory Committee's report, he said that, in view of the opinion expressed in the Secretary-General's report (A/50/1009, para. 12) that it would not be legally appropriate for the United Nations to make any form of direct payment to individual contingent personnel, there was little the General Assembly could do other than take note of that statement of the legal position.

26. On the subject of mission subsistence allowances (MSA), he referred to the Advisory Committee's comments on that matter in its report (A/49/664), in which it had noted that MSA was a cost-effective mechanism for reimbursing the subsistence costs of mission personnel. The Advisory Committee would comment further on that matter in the context of specific performance reports of peacekeeping operations.

27. Mr. NADEEM (Pakistan) said that, in the view of his delegation, peacekeeping operations exemplified the firm commitment of Member States to the concept of collective security and, in order to operate in an efficient manner, they must have the requisite financing. The recent report by the Board of Auditors had highlighted many discrepancies in financing, administration, staffing and procurement. Because of the difficult financial situation of the United Nations, it was now recommended that the trust funds should be used in order to make up for the shortfall. His delegation wished to know how many such trust funds had been formed for utilization by the Department of Peacekeeping Operations, how such trust funds were financed and managed, and what precisely were their expenditures. For any new trust fund, for example the one that he understood had been set up in connection with the rapidly deployable headquarters team, transparent discussions regarding the donors, the availability of funds and the various heads of expenditure should be held prior to any implementation.

28. Another issue related to the financing of peacekeeping operations was the provision of loaned officers by Member States at the request of the Department of Peacekeeping Operations. The Secretariat had now, after repeated requests through the Special Committee on Peacekeeping Operations, provided figures on the many auxiliary expenditures being incurred in respect of the so-called free guests of the Organization. Those figures merely confirmed the belief of his delegation that loaned personnel were not cost-free to the United Nations. The use of loaned officers also clearly indicated that there was a serious lack of equitable geographical distribution.

29. His delegation wished to highlight the need for expeditious reimbursement of troop-contributing States, particularly in respect of death and disability benefits. Irrespective of nationality, all troops performed the same tasks and the United Nations should therefore apply a uniform criterion for compensation in such cases.

30. On the subject of contingent-owned equipment, he noted that the new system for the reimbursement of Member States was currently in the process of being set up. The missions in Haiti and Eastern Slavonia would be test cases. As soon as one of those missions was completed, any payment problems should be resolved in a manner that did not put an additional burden on Member States.

31. In conclusion, his delegation wished to stress the importance of financing, and consequently of consistent financial appropriations, for peacekeeping operations.

32. Mr. JONAH (Sierra Leone) thanked the Controller for providing the information on gratis military officers (GMOs). It was the lack of information on that subject that had induced his delegation to request suspension of consideration of programme 2 of the proposed medium-term plan. Although his delegation was not entirely satisfied with the substance of the information provided, it now accepted that sufficient information had been provided to enable the Committee to proceed to take a decision on that programme.

33. His delegation was concerned not so much with GMOs as with the category of loaned officers and looked forward to the comprehensive report on the matter referred to by the Controller. It was surprising to note that some GMOs were in the General Service category, a fact of which his delegation had previously been unaware. In his statement to the Committee the previous week, he had referred to loaned officers in political areas, many of whom had been employed in Somalia; that was another matter on which information would be expected in the promised comprehensive report. It was also surprising to see the large number of GMOs employed in financial management and support. The document that had just been provided would need to be carefully studied.

34. A still more important issue was that of the policy implications of employing loaned officers. In that connection, he asked the Assistant Secretary-General for Human Resources Management how much his Office had known about loaned officers and when the information had been available to it. There was some indication that those responsible for human resources management in the Secretariat had not been fully aware of the extent of the use of loaned officers.

35. Mr. HALLIDAY (Assistant Secretary-General for Human Resources Management) said that both the human resources issues and the political issues would be dealt with in the comprehensive report. The intake of loaned officers, who were employed principally for peacekeeping operations, had been largely at the departmental level and had not been overseen by the Office of Human Resources Management. The Department of Peacekeeping Operations and other departments had some degree of authority to recruit short-term personnel. It was a matter of concern to the Secretariat that certain individuals were working for the United Nations without being adequately covered in terms of their contractual relationship with the Organization. That matter raised certain basic issues which needed to be addressed in a more standardized form.

36. Mr. GOKHALE (India) proposed that a formal decision on agenda item 140 should be deferred until the Committee resumed its meetings the following spring. His delegation had noted that a formal debate on the subject was to be held the following week and would await with interest the statements made by delegations on that occasion. His delegation felt, however, that it needed to inform its governmental authorities of the situation and receive guidance. It therefore hoped that a formal decision would be deferred, particularly in view of the importance it attached to the item.

37. Mr. KELLY (Ireland), speaking on behalf of the European Union, said that the European Union attached particular importance to item 140 and agreed with the representative of India that it would be preferable to defer substantive consideration and decisions on that item until the spring of 1997. The proposal was a particularly logical one in view of the fact that the peacekeeping budgets would be discussed in the early part of 1997. Moreover, several important reports were still awaited, for example those on loaned officers and on the support account, which raised issues of resources, and it would be logical to consider all the reports together. His delegation therefore strongly supported the proposal made by the representative of India.

38. Ms. DUSCHNER (Canada) said that, although her delegation attached great importance to agenda item 140, it agreed with the representative of India that the Fifth Committee should defer any decisions on the item until the spring of 1997. With respect to the question of gratis military officers, she asked for clarification of the estimated annual cost of administrative backstopping. The Controller had referred to direct and indirect costs with respect to gratis military officers, and she wondered what incremental costs were associated with the indirect costs. Regarding direct costs, she asked whether, if there were no gratis military officers, travel and daily subsistence allowances would still be provided to personnel in support-account or regular-budget posts.

39. Mr. Alom (Bangladesh), Vice-Chairman, took the Chair.

40. Mr. BISTA (Nepal) pointed out that the Committee had already deferred its consideration of agenda item 140 during the latter part of the previous session, and that the Chairman had indicated that the relevant documents would be available in time for the Committee to consider them at the current session. It was therefore premature to prejudge the outcome of the Committee's discussions on other agenda items and to decide to defer consideration of the item at hand. On the question of commercial insurance coverage for peacekeeping troops, he

asked whether the perceived reduction in risk levels (A/50/1009, para. 7) had been based on specific facts or whether that simply reflected the view of the Secretariat.

41. Mr. KAMAL (Pakistan) said that, if the Committee had to defer a decision on the important issue of peacekeeping, the Secretariat's late issuance of documentation and its failure to provide sufficient information would be to blame. His delegation, too, would like more details on the question of loaned officers and on how the Secretariat had concluded that the insurance risk of peacekeeping troops had been reduced. He did not agree that the Committee should defer its consideration of agenda item 140; instead, if the Secretariat could not provide adequate documentation and information in a timely manner, the General Assembly should be suspended until such time as it could do so. The shortage of information on peacekeeping, which represented half of the Organization's budget and activities, was inexcusable. The question of loaned officers had been under discussion for nearly a year, yet the Committee still had no comprehensive picture of the situation. The Committee should seriously examine the problems caused by such inefficiency.

42. Mr. MUCHANGA (Zambia) said that he agreed with the representatives of Pakistan and Nepal that it was premature for the Committee to decide to defer its consideration of agenda item 140.

43. Mr. ODANGA-JALOMAYO (Uganda) said that the Secretariat was clearly skilled at avoiding the questions raised by Member States and that it rarely gave specific answers. His delegation had previously expressed concern about the issue of loaned officers, and awaited with interest the comprehensive policy report mentioned by the Assistant Secretary-General. He agreed with the Pakistani delegation that the Secretariat must issue documents in a timely manner so that the Committee could take informed decisions. Although he did not wish to reopen the discussion on agenda item 116, the questions raised by his delegation under that item had not yet been answered, and he hoped that the Secretariat would provide a reply in writing.

44. Mr. JONAH (Sierra Leone) said that he could not support India's proposal to defer decisions on agenda item 140 if it would affect the General Assembly's ability to take action. His concern about loaned officers and related issues was based on the fundamental impact those issues had on the international civil service, the erosion of which must be halted at the current session of the General Assembly. Moreover, the Assembly was to elect a new Secretary-General at the current session and it was inconceivable that it could take such an action without first dealing with the fundamental issue at hand.

45. Mr. GOKHALE (India) said that agenda item 140 dealt not only with gratis military officers, but also with a host of other issues, including that of the support account. Since the report on the support account had not yet been issued, the Committee could not have a meaningful discussion on gratis military officers. Moreover, the reports on a number of issues related to peacekeeping had not been issued until that day, and his Government needed time to review them. For that reason, he preferred to deal with the issue in question the following spring when the Committee resumed its meetings and considered the financing of peacekeeping operations.

46. Mr. KAMAL (Pakistan) said that the Committee could not decide whether to defer its consideration of agenda item 140 until it knew exactly when the relevant documents would be available. The Committee should suspend its consideration of the item until the necessary documents had been issued and delegations had reviewed them in consultation with their Governments. Although the phenomenon of loaned officers had spread beyond the realm of peacekeeping, its most pernicious manifestation was in peacekeeping activities; the Committee could not therefore discuss the financing of peacekeeping operations without discussing loaned officers.

47. Mr. Sengwe (Zimbabwe) resumed the Chair.

48. Mr. JAREMCZUK (Poland) said that he fully supported the Indian delegation's proposal that the Committee should defer its decisions on agenda item 140 until the spring of 1997.

49. Mr. ZHANG Wanhai (China) said that his delegation was concerned about the financing of peacekeeping operations, which encompassed many different issues. In particular, the use of loaned officers was a long-standing and sensitive issue. Although he would like more time to study the question, he agreed with the delegations of Sierra Leone and Pakistan that action was urgently needed. The Committee should defer its discussion of loaned officers only until it received the relevant documents; it could defer other issues until the spring of 1997.

50. Mr. TAKASU (Controller) said that the Secretariat had no intention of providing information selectively or of avoiding the questions raised by Member States. The additional information under agenda item 116 which the Ugandan delegation had requested was still being compiled and would be forthcoming shortly. As for the late issuance of documents, only one of the documents under consideration had been issued that day; all of the others had been available well in advance. It must also be borne in mind that the reports of the Secretary-General could not be presented to the Fifth Committee until they had first been considered by the Advisory Committee.

51. The use of gratis military officers, which the Fifth Committee had discussed before, was a serious and complex issue. The fact that such personnel served on a variety of missions, coupled with the Organization's delegation of authority to programme heads, made it hard for the central Administration to obtain a complete picture of the phenomenon in its entirety. The situation was further complicated by the tribunals for the former Yugoslavia and Rwanda, in which many gratis non-military personnel participated. The issue cut across a number of different agenda items. He was currently preparing the comprehensive report, in consultation with all of the relevant programme heads, and would ensure that it was issued early enough to enable the Fifth Committee to take a decision during the current session of the General Assembly.

52. With respect to the extrabudgetary sources available to the Department of Peacekeeping Operations, two trust funds were available: one for lessons learned and one for government military officers. There was, as yet, no trust fund for a rapidly deployable headquarters team. In addition, there were 15 to 20 specific-purpose funds for peacekeeping missions. With respect to the costs of

administrative backstopping, the figures for direct and indirect costs were only estimates, which had been prepared on the basis of a number of assumptions, including the assumption that one Secretariat support person was required for every five government military officers. It was impossible to give an exact answer to the question of how the absence of government military officers would affect the estimates, or whether the Department of Peacekeeping Operations would even be able to function without them. The travel costs indicated were the Organization's actual expenditure for travel by government military officers; it would be difficult to draw conclusions about what those costs would be in the absence of such officers. Regarding the death and disability insurance scheme, no commercial insurance company had been willing to offer such coverage at the time the original document on the subject (A/49/906) had been prepared. The Secretary-General had therefore proposed a self-insurance scheme. However, since some commercial insurance companies had changed their position since that time, the General Assembly had decided to consider the option of commercial insurance.

53. Mr. YEO (Deputy Director, Peacekeeping Financing Division) said that the perception of a reduced risk level was that of commercial insurers, not of the Secretariat. The request for proposals which the Secretariat had sent to insurance companies had included detailed historical data on the Organization's experience, which had shown a decline in death and disability claims over the past several years. The insurance companies' decision to change their position had been based on those data. In the Secretary-General's original report, his preference for self-insurance had reflected the unavailability of commercial insurance at that time. Subsequently, the General Assembly had asked for more information on the feasibility of commercial insurance.

54. Mr. HALLIDAY (Assistant Secretary-General for Human Resources Management) said, with respect to the availability of documentation, that all committees had similar problems and that the volume of documentation and the overwhelming demand made it hard for the Secretariat to issue documents as early as everyone wished.

55. On the question of gratis personnel, there was deep concern over the issues of political influence, budgetary impact and human resources management. The policy paper was, indeed, being prepared, and any delay was attributable to the concern to set out the implications as clearly as possible.

56. The first gratis military officers had been made available in 1991 in the context of Cambodia. The demand for expertise not available within the Secretariat had subsequently grown; whether that was the correct way to staff the Secretariat was for Member States to consider. The individuals concerned were covered by notes verbales, memorandums of understanding or exchanges of letters between the Secretariat and donor Governments. Some were covered by contractual relationships with the Secretariat which protected them in terms of injury and health and protected the Secretariat in terms of performance, code of conduct and other standards expected of the staff and others working in the Secretariat in whatever capacity.

57. He noted that he had brought the issue to the attention of the Advisory Committee and the Fifth Committee at the previous session. Approximately one

third of the gratis personnel were in the Department of Peacekeeping Operations, while others were in the Department of Humanitarian Affairs and with the international tribunals. Exact details would be provided. Associate experts, who were fully funded with an overhead and who were staff members, although financed by donors, were excluded from that category. The issue of gratis personnel should be dealt with separately from the peacekeeping issue, and could not be deferred.

58. Ms. DUSCHNER (Canada) said that it was her understanding that the figures relating to the travel of gratis military officers were based on standard estimated costs. She asked how much had been spent on gratis military officers in 1995, and how much expenditure would have been avoided if they had not been employed.

59. Mr. BISTA (Nepal) said that the concern over documents did not mean that it was imperative to defer a decision. Member States and the Chairman could assess the situation in mid-December and see which items needed to be deferred.

60. Mr. KAMAL (Pakistan) asked for details of the trust fund through which officers were being sponsored; in particular, he wished to know how many officers had been sponsored, from which countries they had come, and who the donors were. He also wished to be informed of the ratio of travel by gratis military officers under United Nations contracts to travel by loaned gratis military officers. With regard to the staffing of the Department of Peacekeeping Operations, the fact that there were 115 gratis military officers out of a total of 134 military officers had a fundamental effect on the functioning of that Department, particularly since the former held most of the key appointments.

61. Mr. TAKASU (Controller) said that estimated indirect costs had been calculated in respect of the loaned officers in the Department of Peacekeeping Operations; they were met from the regular budget and thus borne by all Member States. Actual direct costs had been used in the case of travel and subsistence, since it was very difficult to estimate the number of trips that might be made over some future period. An analysis had been made of actual travel, and the portion accounted for by gratis military officers had been separated. The question of what the actual cost to the Organization would have been had such officers not been provided was extremely hypothetical, and impossible to answer, since it could not be determined ex post facto whether, had gratis military officers not travelled, other staff members might have needed to travel in their stead. Details of the exact number of military officers paid from the trust fund in the Department of Peacekeeping Operations would be provided in writing, together with the other information requested.

62. The CHAIRMAN said that the Committee must determine whether to defer the question until the resumed session of the General Assembly, suspend any decision on deferment until the documentation was available, or deal with those issues on which information was available. He would consult with delegations before suggesting a course of action.

63. Ms. DUSCHNER (Canada) said that her delegation looked forward to the discussion of the item in the plenary Assembly within the next few days, but supported the proposal to defer any decision until the resumed session.

AGENDA ITEM 111: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND REPORTS OF THE BOARD OF AUDITORS (continued) (A/49/368 and A/49/943; A/50/985; A/51/5 (Vols. I-IV), A/51/5/Add.1-10, A/51/283, A/51/488 and Add.1, A/51/523 and A/51/533; A/C.5/50/51)

64. Mr. CHITTHAN (India) said that his delegation attached great value to the work of the Board of Auditors in assisting reform in the interests of a more efficient and cost-effective Organization. He noted with satisfaction that the Organization had generally complied with common accounting standards for the biennium 1994-1995, and hoped that further work would be done in the current biennium to bring financial statements fully into line with those standards.

65. Improved budgetary control by the United Nations and its funds and agencies was a welcome development. The Board's recommendation for strict control over the budgetary performance of trust funds should now form part of the Secretariat's efforts to improve financial controls. Expenditure from trust funds should not be incurred without assured and attainable income, or on the basis of reimbursement to the regular budget or extrabudgetary account concerned.

66. His delegation was pleased to note the measures taken by the Secretariat to improve the procurement process, but the vision of a truly competitive, fair and transparent process required further substantial change. The lack of a comprehensive data bank on procurement in the Purchase and Transportation Division, the continuing widespread use of ex post facto approval for large contracts, the inviting of bids exclusively from pre-qualified vendors without advertising, and the extension of contracts without bidding must be corrected. His delegation would propose legislative action thereon, and intended to ask the Secretariat to develop the Revised Policy Guidelines on Invitations for Tenders and Selection of Suppliers. He welcomed the Board's recommendation than annual procurement plans should be prepared in order to facilitate consolidation of orders.

67. His delegation shared the concern at the lack of proper procedure in the liquidation of major peacekeeping operations. A time limit for the liquidation of completed missions and the assigning of specific responsibilities to departments and individuals were fundamental to the liquidation of missions. Quick action was needed in the interests of both financial propriety and the settling of outstanding claims. The Board's other observations aimed at streamlining peacekeeping operations must also be acted upon.

68. The Board's recommendations on the irregularities surrounding the identification, recruitment, payment and management of consultants must be a further priority. The Secretariat should prepare the promised comprehensive policy guidelines within a six-month period. He endorsed the Advisory Committee's view that the Secretariat should resume the practice of reporting regularly on the hiring of consultants.

69. His delegation commended the Secretary-General for acting on the Board's recent recommendations, and welcomed the efforts being made by the Board to improve oversight in close coordination with the Office of Internal Oversight Services and the Administration.

ORGANIZATION OF WORK

70. Mr. NADEEM (Pakistan) said that some of the documents concerning item 116, the first item on the agenda for the current meeting, had been distributed only that morning. Similarly, certain documents on item 140 had been distributed only during the course of the meeting. His delegation was concerned about what appeared to be a consistent pattern of late distribution. For example, the document relating to agenda item 99 (a), which had been on the agenda of the Second Committee the previous day, had been distributed during the discussion of the item, even though it had been available to the Secretariat since August 1996.

71. The CHAIRMAN said that the substance of item 116 would in fact be discussed by the Committee the following day and that item 140, although it had been introduced, was not scheduled for substantive discussion by the Committee until 13 November.

72. Mr. NADEEM (Pakistan) thanked the Chairman for that clarification.

The meeting rose at 12.50 p.m.